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PATENT APPLICATION

ATTORNEY DOCKET NO. 10013329-1

IN THE  
UNITED STATES PATENT AND TRADEMARK OFFICE

Inventor(s): Tami L. Guy et al.

Confirmation No.: 3798

Application No.: 09/965,405

Examiner: Ronald Laneau

Filing Date: September 26, 2001

Group Art Unit: 3714

Title: METHOD OF DISTRIBUTING

Mail Stop Appeal Brief-Patents  
Commissioner For Patents  
PO Box 1450  
Alexandria, VA 22313-1450

TRANSMITTAL OF APPEAL BRIEF

Transmitted herewith is the Appeal Brief in this application with respect to the Notice of Appeal filed on Dec. 26, 2006.

The fee for filing this Appeal Brief is (37 CFR 1.17(c)) \$500.00.

(complete (a) or (b) as applicable)

The proceedings herein are for a patent application and the provisions of 37 CFR 1.136(a) apply.

☐ (a) Applicant petitions for an extension of time under 37 CFR 1.136 (fees: 37 CFR 1.17(a)-(d)) for the total number of months checked below:

☐ 1st Month  
\$120

☐ 2nd Month  
\$450

☐ 3rd Month  
\$1020

☐ 4th Month  
\$1590

☐ The extension fee has already been filed in this application.

☒ (b) Applicant believes that no extension of time is required. However, this conditional petition is being made to provide for the possibility that applicant has inadvertently overlooked the need for a petition and fee for extension of time.

Please charge to Deposit Account 08-2025 the sum of \$ 500 . At any time during the pendency of this application, please charge any fees required or credit any over payment to Deposit Account 08-2025 pursuant to 37 CFR 1.25. Additionally please charge any fees to Deposit Account 08-2025 under 37 CFR 1.16 through 1.21 inclusive, and any other sections in Title 37 of the Code of Federal Regulations that may regulate fees.

☒ A duplicate copy of this transmittal letter is enclosed.

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Respectfully submitted,

Tami L. Guy et al.

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE BOARD OF PATENT  
APPEALS AND INTERFERENCES

In Re Application of: )  
 )  
Tami L. Guy; )  
Jeffrey L. Briggs and )  
Anne L. Mason )  
 ) Group Art Unit: 3714  
 )  
Serial No. 09/965,405 )  
 ) Examiner: Ronald Laneau  
 )  
Filed: September 26, 2001 )  
 )  
For: METHOD OF ) Atty Dkt. 10013329-1  
DISTRIBUTING )  
 )

**APPEAL BRIEF**

Mail Stop Appeal Brief - Patents  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Dear Sir:

This Appeal Brief is submitted in response to the final rejection of the claims mailed October 19, 2006. A Notice of Appeal was filed on December 26, 2006.

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This brief contains items under the following headings as required by 37 CFR §41.37 and MPEP §1206:

- (1) Real Party In Interest
- (2) Related Appeals, Interferences and Judicial Proceedings
- (3) Status of Claims
- (4) Status of Amendments
- (5) Summary of Claimed Subject Matter
- (6) Grounds of Rejection to be Reviewed on Appeal
- (7) Argument
- (8) Claims Appendix
- (9) Evidence Appendix
- (10) Related Proceedings Appendix

**(1) REAL PARTY IN INTEREST**

The real party in interest in the above-referenced patent application is Hewlett-Packard Development Company, LP, having a principal place of business at 20555 S.H. 249 Houston, TX 77070, U.S.A.

**(2) RELATED APPEALS AND INTERFERENCES**

There are no related appeals or interferences currently known to appellants, appellants' legal representatives or the assignee, which will directly affect, or be directly affected by, or have a bearing on, the Board's decision.

**(3) STATUS OF CLAIMS**

Claims 1-23 were originally filed with the application. Claims 14, 16, 20, 21 and 23 were subsequently canceled during prosecution. Claims 1-13, 15, 17-19 and 22 are currently pending in the application. Claims 1-13, 15, 17-19 and 22 stand rejected in the final Office action mailed October 19, 2006. The rejection of claims 1-13, 15, 17-19 and 22 is appealed. A copy of the appealed claims appears in appendix (8) to this brief.

**(4) STATUS OF AMENDMENTS**

No amendments were filed or entered subsequently to the final Office action mailed October 19, 2006.

**(5) SUMMARY OF THE CLAIMED SUBJECT MATTER**

In general terms, methods of doing business are disclosed and claimed. Appellants' invention as claimed is summarized and explained below with reference characters, specification page numbers and drawing figure numbers indicating where the claim finds support in the specification and drawings.

1. A method for a first organization (O1) to do business comprising:

entering into a contractual relationship with a second organization (O2); [Fig. 3; page 15, lines 22-25]

authorizing said second organization (O2) to take an order from a customer, said order comprising at least one of: [Figs. 5-6; page 17, line 14 - page 20, line 25]

products not produced by said first organization (O1),  
and services not provided by said first organization (O1);  
[Figs. 7-8; page 20, line 26 - page 25, line 19]

receiving payment directly from said customer as a payment for said order taken by said second organization (O2); [Fig. 9; page 25, line 21 - page 27, line 24]

requiring an organization other than said first organization (O1) to ship products not produced by said first organization (O1) to said customer; [Fig. 7; page 21, line 2 - page 23, line 25]

requiring an organization other than said first organization (O1) to provide services to said customer. [Fig. 8; page 23, line 27 - page 25, line 19]

2. The method of claim 1 and further comprising:  
requiring said second organization (O2) to provide a second organization (O2) service to a customer. [Fig. 8; page 23, line 27 - page 25, line 19]

3. The method of claim 1 and further comprising:  
requiring a third organization (O3) to provide a third organization (O3) service to said customer. [Fig. 8; page 23, line 27 - page 25, line 19]

4. The method of claim 1 and further comprising:  
requiring a third organization (O3) to ship a third organization (O3) product to said customer. [Fig. 7; page 21, line 2 - page 23, line 25]

5. The method of claim 4 wherein said requiring a third organization (O3) to ship comprises requiring said third organization (O3) to ship said third organization (O3) product from a facility not controlled by said first organization (O1). [Fig. 7; page 21, line 2 - page 23, line 25]

6. The method of claim 4 and further comprising:  
verifying that said third organization (O3) product was  
received by said customer. [Fig. 7; page 21, line 2 - page 23, line  
25]

7. The method of claim 3 and further comprising:  
verifying that said third organization (O3) service was  
performed by said third organization (O3). [Fig. 8; page 23, line 27  
- page 25, line 19]

8. The method of claim 1 and further comprising:  
tracking receipt of said payment by computer.

9. The method of claim 1 and further comprising:  
paying said second organization (O2) a predetermined  
amount based on said order. [Fig. 12; page 33, line 9 - page 34,  
line 7]

10. The method of claim 9 and further comprising:  
tracking said paying said second organization (O2) by  
computer.

11. The method of claim 4 and further comprising:  
paying said third organization (O3) for said third organization  
(O3) product. [Fig. 11; page 32, lines 13-25]

12. The method of claim 11 and further comprising:  
tracking said paying said third organization (O3) by  
computer.

13. A method for a first organization (O1) to do business  
comprising:

requiring a second organization (O2) to take an order for  
sales items on behalf of the first organization (O1); [Figs. 5-6;  
page 17, line 14 - page 20, line 25]

in response to a determination that the order includes a  
product distributed by a third organization (O3) sending an order  
for that product to the third organization (O3); [Fig. 7; page 21, line  
2 - page 23, line 25]

requiring the third organization (O3) to ship the product  
directly to a customer's address. [Fig. 7; page 21, line 2 - page 23,  
line 25]

requiring the third organization (O3) to notify the second  
organization (O2) when the product has been shipped; [Fig. 7;  
page 21, line 2 - page 23, line 25]

wherein the product shipped by the third organization (O3) is  
less than all items distributed by the third organization (O3) that  
were on the order; [Fig. 7; page 21, line 1 - page 23, line 25] and

requiring the third organization (O3) to notify the second  
organization (O2) when the order is incomplete and when the  
backlog for items on the order that were not shipped is longer than



a predetermined number of days. [Fig. 7; page 21, line 1 - page 23, line 25].

15. The method of claim 13 further comprising:  
invoicing the customer after the third organization (O3) notifies the second organization (O2) that the product has been shipped. [Fig. 9; page 25, line 20 - page 27, line 24]

17. The method of claim 13 further comprising:  
requiring the second organization (O2) to notify the first organization (O1) when the order is incomplete and when the backlog for items on the order that were not shipped is longer than a predetermined number of days. [Fig. 7; page 21, line 1 - page 23, line 25]

18. A method for a first organization (O1) to do business comprising:

requiring a second organization (O2) to take an order for sales items on behalf of the first organization (O1); [Fig. 7; page 21, line 2 - page 23, line 25]

in response to a determination that the order includes a product distributed by a third organization (O3) sending an order for that product to the third organization (O3); [Fig. 7; page 21, line 2 - page 23, line 25]

requiring the third organization (O3) to notify the first organization (O1) when the order exceeds a predetermined credit limit of the second organization (O2). [Fig. 5; page 17, line 13 - page 19, line 1]

19. A method for a first organization (O1) to do business comprising:

in response to a determination that services in a service order taken by a second organization (O2) on behalf of the first organization (O1) is incomplete determining whether the service order includes support services; [Fig. 8; page 23, line 26 - page 25, line 20]

determining a billing strategy based upon whether or not the service order includes support services; [Fig. 8; page 23, line 26 - page 25, line 20]

in response to a determination that the service order does not include support services determining whether the services ordered may be completed in less than a predetermined period of time; and [Fig. 8; page 23, line 26 - page 25, line 20]

determining a billing strategy based upon whether or not the services ordered may be completed in less than a predetermined period of time; [Fig. 8; page 23, line 26 - page 25, line 20]

wherein it is determined that the services ordered may not be completed in less than the predetermined period of time and further comprising determining whether the services ordered are

essential to the use of hardware included on the order; and [Fig. 8; page 23, line 26 - page 25, line 20]

wherein it is determined that the services ordered are not essential to the use of hardware included on the order and further comprising invoicing the hardware portion of the order prior to completion of the services ordered. [Fig. 8; page 23, line 26 - page 25, line 20]

22. The method of claim 19 wherein it is determined that the services ordered are essential to the use of hardware included on the order and further comprising waiting for completion of the service before invoicing either the service or hardware portion of the order. [Fig. 8; page 23, line 26 - page 25, line 20]

#### **(6) GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL**

I. Arguments Regarding 35 U.S.C. §101:

A. Claims 1-12 stand rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter.

Arguments begin on page 13.

B. Claims 13, 15 and 17 stand rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter.

Arguments begin on page 21.

- C. Claim 18 stands rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter. Arguments begin on page 26.
- D. Claims 19 and 22 stand rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter. Arguments begin on page 30.

II. Arguments Regarding 35 U.S.C. §103(a):

- A. Claims 1-6 and 8-12 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Sharp et al. (U.S. Patent No. 6,263,317) in view of Radosevich et al. "IT eyes reseller channel change". Arguments begin on page 35.
- B. Claim 7 stands under 35 U.S.C. §103(a) as being unpatentable over Sharp et al. (U.S. Patent No. 6,263,317) in view of Radosevich et al. "IT eyes reseller channel change" and further in view of Hogan (Published U.S. Patent Application No. 2001/0002464 A1). Arguments begin on page 43.
- C. Claims 13 and 15 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Sharp et al. (U.S. Patent No. 6,263,317) in view of Carpenter et al. (U.S. Patent No. 6,868,401). Arguments begin on page 46.

- D. Claim 17 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Sharp et al. (U.S. Patent No. 6,263,317) in view of Work et al. (Published U.S. Patent Application No. 2002/0007302). Arguments begin on page 49.
- E. Claim 18 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Sharp et al. (U.S. Patent No. 6,263,317) in view of Bremers (U.S. Patent No. 6,901,380). Arguments begin on page 52.

## **(7) ARGUMENT**

### **I. Arguments Regarding 35 U.S.C. §101**

#### **A. Claims 1-12**

Claims 1-12 stand rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter. Appellants respectfully assert, for at least the reasons advanced below, that this rejection is improper and that the Examiner should be reversed.

The Examiner states the following on page 2 of the final Office action:

The claims are directed to nothing more than abstract ideas. To be [eligible] for a patent, claims that set forth subject matter excluded by a judicial exception (i.e. abstract idea) must be for a practical application. A practical application results if the claimed invention transforms an article or physical object to a different state or thing or if the claimed invention produces a useful, concrete or tangible result.

The Examiner takes the position that appellants' claims fail to produce a useful concrete or tangible result and, thus, do not constitute statutory subject matter under 35 U.S.C. §101. For the reasons set forth below, appellants respectfully disagree with the Examiner's position.

35 U.S.C. §101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

The Court of Appeals for the Federal Circuit has interpreted this section, for example, as follows:

The plain and unambiguous meaning of Section 101 is that any invention falling within one of the four stated categories of statutory subject matter may be patented, provided it meets the other requirements for patentability set forth in Title 35, i.e., those found in Sections 102, 103, and 112, Para.2.

The repetitive use of the expansive term "any" in Section 101 shows Congress's intent not to place any restrictions on the subject matter for which a patent may be obtained beyond those specifically recited in Section 101. Indeed, the Supreme Court has acknowledged that Congress intended Section 101 to extend to "anything under the sun that is made by man." *Diamond v. Chakrabarty*, 447 U.S. 303, 309, 206 USPQ 193 (1980); see also *Diamond v. Diehr*, 450 U.S. 175, 182, 209 USPQ 1 (1981). Thus, it is improper to read limitations into Section 101 on the subject matter that may be patented where the legislative history indicates that Congress clearly did not intend such limitations. See *Chakrabarty*, 447 U.S. at 308 ("We have also cautioned that courts 'should not read into the patent laws limitations and conditions which the legislature has not expressed.'" (citations omitted)).

*State Street Bank & Trust Co. v. Signature Financial Group Inc.*, 47 USPQ2d 1596, 1600 (Fed. Cir. 1998)

Accordingly, the Court of Appeals for the Federal Circuit has adopted an extremely broad definition of “statutory subject matter”. The Supreme Court, however, has identified three categories of subject matter that are *not* patentable, namely laws of nature, natural phenomena, and abstract ideas. See *Id.* In the present case, it appears that the Examiner is taking the position that appellants’ claims fall within the “abstract ideas” category and, thus, are unpatentable. Appellants point out, however, that subject matter does not represent a mere abstract idea if the subject matter has been reduced to a practical application, i.e., “a useful, concrete and tangible result”. *Id.* at 1600-1601 (citing *In re Alappat*, 31 USPQ2d 1545 at 1557 (Fed. Cir. 1994)).

Appellants’ claim 1 recites the following:

A method for a first organization to do business comprising:

entering into a contractual relationship with a second organization;

authorizing said second organization to take an order from a customer, said order comprising at least one of:

products not produced by said first organization,  
and services not provided by said first organization;



receiving payment directly from said customer as a payment for said order taken by said second organization;  
requiring an organization other than said first organization to ship products not produced by said first organization to said customer;  
requiring an organization other than said first organization to provide services to said customer.

Appellants' claim encompasses a business structure which clearly represents "a useful, concrete and tangible result" and, thus, is directed to statutory subject matter. The advantages (and, thus, the usefulness) of appellants' invention are extensively discussed in the written description of the application, for example, at page 42, line 11 through page 43, line 25.

In *State Street Bank*, the Federal Circuit concluded that the subject matter in question was, indeed statutory:

Today, we hold that the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price, constitutes a practical application of a mathematical algorithm, formula, or calculation, because it produces "a useful, concrete and tangible result"--a final share price momentarily fixed for recording and reporting purposes and even accepted and relied upon by regulatory authorities and in subsequent trades.

47 USPQ2d at 1601

In *In re Alappat*, 31 USPQ2d 1545 at 1557 (Fed. Cir. 1994), the Federal Circuit also found statutory subject matter:

... the claimed invention as a whole is directed to a combination of interrelated elements which combine to form a machine for converting discrete waveform data samples into anti-aliased pixel illumination intensity data to be displayed on a display means. This is not a disembodied mathematical concept which may be characterized as an "abstract idea," but rather a specific machine to produce a useful, concrete, and tangible result.

31 USQP2d at 1557

It is respectfully asserted that appellants' invention embodies a result at least as useful, concrete and tangible as those considered in *State Street Bank* ("the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price") and in *In re Alappat* ("a combination of interrelated elements which combine to form a machine for converting discrete waveform data samples into anti-aliased pixel illumination intensity data") as discussed above.

It is noted that the Examiner, in explaining the present rejection, states the following:

As to claims 1-12, the claim is directed to a method of doing business comprising: entering into a contract

relationship between organizations and authorizing the various entities to perform certain functions. However, the claim is not directed to processing an order or transaction.

(final Office action, page 2)

The relevance of the Examiner's statement is not understood since, as discussed above, the proper inquiry is whether or not a useful, concrete and tangible result is produced and not whether the claim is "directed to processing an order or transaction". Further, appellants point out that claim 1, contrary to the Examiner's suggestion, does recite limitations related to processing an order, e.g.:

- authorizing said second organization to take an order from a customer
- receiving payment directly from said customer as a payment for said order
- requiring an organization other than said first organization to ship products
- requiring an organization other than said first organization to provide services

In summary, appellants respectfully assert that the Examiner has failed to meet the burden of establishing a *prima facie* case of unpatentability under 35 U.S.C. §101.

[T]he examiner bears the initial burden, on review of the prior art or on any other ground, of presenting a *prima facie* case of unpatentability. If that burden is met, the burden of coming forward with evidence or argument shifts to the applicant.... If examination at the initial stage does not produce a *prima facie* case of unpatentability, then without more the applicant is entitled to grant of the patent.

*In re Oetiker*, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992). This case is discussed, for example, in MPEP Section 2107.02.

MPEP 2106 II A elaborates on this issue, setting forth the following:

A process that consists solely of the manipulation of an abstract idea is not concrete or tangible.... Office personnel have the burden to establish a *prima facie* case that the claimed invention as a whole is directed to solely an abstract idea or to manipulation of abstract ideas or does not produce a useful result. Only when the claim is devoid of any limitation to a practical application in the technological arts should it be rejected under 35 U.S.C. 101.... Further, **when such a rejection is made, Office personnel must expressly state how the language of the claims has been interpreted to support the rejection.**

(bold emphasis added)

Thus, the Examiner bears the initial burden of establishing a *prima facie* case of unpatentability. *In re Oetiker, supra*. A rejection under 35 U.S.C. §101 is proper “*only* when the claim is devoid of *any* limitation to a practical application in the technological arts”. MPEP 2106 II A, *supra* (emphasis added). Further, to properly raise such a rejection, the Examiner “*must* expressly state how the language of the claims has been interpreted to support the rejection”. *Id* (emphasis added). In the present case, the Examiner has not pointed out, with specificity, why the invention recited in appellants’ claim 1 fails to produce a useful, concrete and tangible result; thus, the Examiner has not met the requisite burden. Accordingly, appellants respectfully assert that a *prima facie* case of unpatentability under 35 U.S.C. §101 has not been established with respect to claim 1 and that the Examiner’s rejection should be reversed.

Claims 2-12 are allowable at least as depending from allowable base claim 1. For purposes of this issue on appeal, dependent claims 2-12 stand or fall with independent claim 1.

**B. Claims 13, 15 and 17**

Claims 13, 15 and 17 stand rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter. Appellants respectfully assert, for at least the reasons advanced below, that this rejection is improper and that the Examiner should be reversed.

At the outset, it is noted that claim 13 is not included in the Examiner's 35 U.S.C. §101 rejection heading on page 2 of the final Office action. Since, however, the Examiner discusses claim 13 in the body of the 35 U.S.C. §101 rejection (see, e.g., page 3 of the final Office action), it is assumed that the Examiner intended that claim 13 be included in the 35 U.S.C. §101 rejection and appellants have structured this brief in accordance with this assumption.

It is further noted that appellants' arguments advanced above with respect to claim 1 are also pertinent with respect to the present rejection of claims 13, 15 and 17. Thus, these arguments are hereby incorporated by reference in the present discussion with respect to the rejection of claims 13, 15 and 17.

In a manner similar to the rejection of claim 1, it appears that the Examiner is taking the position that appellants' independent claim 13 represents merely an "abstract idea" and, thus, is unpatentable. As appellants noted above, however, subject matter does not represent a mere abstract idea if the subject

matter has been reduced to a practical application, i.e., “a useful, concrete and tangible result”. *Id.* at 1600-1601 (citing *In re Alappat*, 31 USPQ2d 1545 at 1557 (Fed. Cir. 1994)).

Appellants’ independent claim 13 recites the following:

A method for a first organization to do business comprising:

requiring a second organization to take an order for sales items on behalf of the first organization;

in response to a determination that the order includes a product distributed by a third organization sending an order for that product to the third organization;

requiring the third organization to ship the product directly to a customer's address;

requiring the third organization to notify the second organization when the product has been shipped.

wherein the product shipped by the third organization is less than all items distributed by the third organization that were on the order; and

requiring the third organization to notify the second organization when the order is incomplete and when the backlog for items on the order that were not shipped is longer than a predetermined number of days.

Appellants' claim 13 encompasses a business structure which clearly represents "a useful, concrete and tangible result" and, thus, is directed to statutory subject matter. The advantages (and, thus, the usefulness) of appellants' invention are extensively discussed in the written description of the application, for example, at page 42, line 11 through page 43, line 25. The invention recited in appellants' claim 13 embodies a result at least as useful, concrete and tangible as those considered in *State Street Bank* ("the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price") and in *In re Alappat* ("a combination of interrelated elements which combine to form a machine for converting discrete waveform data samples into anti-aliased pixel illumination intensity data"). See the discussion of the rejection of claim 1, *supra*.

The Examiner, in explaining the rejection of claim 13, states, for example, the following:

As to claims 13, 15 and 17, the claim is directed to a method of doing business comprising establishing requirements for organizations regarding the sale of items and listing the various responsibilities of each of the organizations. However, the claim is not directed to processing an order or transaction.

(final Office action, page 3)



Again, the Examiner's statement regarding "processing an order or transaction" does not appear to be relevant to the current issue on appeal. As discussed above, with respect to the rejection of claim 1, the proper inquiry is whether or not a useful, concrete and tangible result is produced and not whether the claim is directed to "processing an order or transaction". Further, appellants point out that claim 13, contrary to the Examiner's suggestion, does recite limitations related to processing an order, e.g.:

requiring a second organization to take an order for sales items on behalf of the first organization

sending an order for that product to the third organization

requiring the third organization to ship the product directly to a customer's address

requiring the third organization to notify the second organization when the product has been shipped

requiring the third organization to notify the second organization when the order is incomplete

As discussed above, with respect to the rejection of claim 1, the Examiner bears the initial burden of establishing a *prima facie* case of unpatentability. See, e.g., *In re Oetiker, supra*. A rejection under 35 U.S.C. §101 is proper “*only* when the claim is devoid of *any* limitation to a practical application in the technological arts”. MPEP 2106 II A, *supra* (emphasis added). Further, to properly raise such a rejection, the Examiner “*must* expressly state how the language of the claims has been interpreted to support the rejection”. *Id* (emphasis added). In the present case, the Examiner has not pointed out, with specificity, why it is believed that the invention recited in appellants’ claim 13 fails to produce a useful, concrete and tangible result; thus, the Examiner has not met the requisite burden. Accordingly, appellants respectfully assert that a *prima facie* case of unpatentability under 35 U.S.C. §101 has not been established with respect to claim 13 and that the Examiner’s rejection should be reversed.

Claims 15 and 17 are allowable at least as depending from allowable base claim 13. For purposes of this issue on appeal, dependent claims 15 and 17 stand or fall with independent claim 13.

### **C. Claim 18**

Claim 18 stands rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter. Appellants respectfully assert, for at least the reasons advanced below, that this rejection is improper and that the Examiner should be reversed.

Appellants' arguments advanced above with respect to claim 1 are also pertinent with respect to the present rejection of claim 18. Thus, these arguments are hereby incorporated by reference in the present discussion with respect to the rejection of claim 18.

In a manner similar to the rejection of claim 1, it appears that the Examiner is taking the position that appellants' claim 18 represents merely an "abstract idea" and, thus, is unpatentable. As appellants noted above, however, subject matter does not represent a mere abstract idea if the subject matter has been reduced to a practical application, i.e., "a useful, concrete and tangible result". *Id.* at 1600-1601 (citing *In re Alappat*, 31 USPQ2d 1545 at 1557 (Fed. Cir. 1994)).

Appellants' independent claim 18 recites the following:

A method for a first organization to do business comprising:

requiring a second organization to take an order for sales items on behalf of the first organization;

in response to a determination that the order includes a product distributed by a third organization sending an order for that product to the third organization;

requiring the third organization to notify the first organization when the order exceeds a predetermined credit limit of the second organization.

Appellants' claim 18 encompasses a business structure which clearly represents "a useful, concrete and tangible result" and, thus, is directed to statutory subject matter. The advantages (and, thus, the usefulness) of appellants' invention are extensively discussed in the written description of the application, for example, at page 42, line 11 through page 43, line 25. The invention recited in appellants' claim 18 embodies a result at least as useful, concrete and tangible as those considered in *State Street Bank* ("the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price") and in *In re Alappat* ("a combination of interrelated elements which combine to form a machine for converting discrete waveform data samples into anti-aliased pixel illumination intensity data"). See the discussion of the rejection of claim 1, *supra*.

The Examiner, in explaining the rejection of claim 18, states, for example, the following:

As to claim 18, the claim is directed to a method of doing business comprising establishing requirements for organizations regarding the sale of items, listing the various responsibilities of each of the organizations and notification requirements for each of the organizations if certain conditions are met. However, the claim is not directed to processing an order or transaction.

(final Office action, page 3)

As in the case of claims 1 and 13, discussed above, the Examiner's statement regarding "processing an order or transaction" does not appear to be relevant to the current issue on appeal. As discussed above, with respect to the rejection of claim 1, the proper inquiry is whether or not a useful, concrete and tangible result is produced and not whether the claim is directed to "processing an order or transaction". Further, appellants point out that claim 18, contrary to the Examiner's suggestion, does recite limitations related to processing an order, e.g.:

requiring a second organization to take an order

sending an order for that product to the third organization

As discussed above, with respect to the rejection of claim 1, the Examiner bears the initial burden of establishing a *prima facie* case of unpatentability. See, e.g., *In re Oetiker, supra*. A rejection

under 35 U.S.C. §101 is proper “*only* when the claim is devoid of any limitation to a practical application in the technological arts”. MPEP 2106 II A, *supra* (emphasis added). Further, to properly raise such a rejection, the Examiner “*must* expressly state how the language of the claims has been interpreted to support the rejection”. *Id* (emphasis added). In the present case, the Examiner has not pointed out, with specificity, why it is believed that the invention recited in appellants’ claim 18 fails to produce a useful, concrete and tangible result; thus, the Examiner has not met the requisite burden. Accordingly, appellants respectfully assert that a *prima facie* case of unpatentability under 35 U.S.C. §101 has not been established with respect to claim 18 and that the Examiner’s rejection should be reversed.

**D. Claim 19**

Claim 19 stands rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter. Appellants respectfully assert, for at least the reasons advanced below, that this rejection is improper and that the Examiner should be reversed.

Appellants' arguments advanced above with respect to claim 1 are also pertinent with respect to the present rejection of claim 19. Thus, these arguments are hereby incorporated by reference in the present discussion with respect to the rejection of claim 19.

In a manner similar to the rejection of claim 1, it appears that the Examiner is taking the position that appellants' claim 19 represents merely an "abstract idea" and, thus, is unpatentable. As appellants noted above, however, subject matter does not represent a mere abstract idea if the subject matter has been reduced to a practical application, i.e., "a useful, concrete and tangible result". *Id.* at 1600-1601 (citing *In re Alappat*, 31 USPQ2d 1545 at 1557 (Fed. Cir. 1994)).

Appellants' independent claim 19 recites the following:

A method for a first organization to do business comprising:

in response to a determination that services in a service order taken by a second organization on behalf of

the first organization is incomplete determining whether the service order includes support services;

determining a billing strategy based upon whether or not the service order includes support services;

in response to a determination that the service order does not include support services determining whether the services ordered may be completed in less than a predetermined period of time;

determining a billing strategy based upon whether or not the services ordered may be completed in less than a predetermined period of time;

wherein it is determined that the services ordered may not be completed in less than the predetermined period of time and further comprising determining whether the services ordered are essential to the use of hardware included on the order; and

wherein it is determined that the services ordered are not essential to the use of hardware included on the order and further comprising invoicing the hardware portion of the order prior to completion of the services ordered.

Appellants' claim 19 encompasses a business structure which clearly represents "a useful, concrete and tangible result" and, thus, is directed to statutory subject matter. The advantages



(and, thus, the usefulness) of appellants' invention are extensively discussed in the written description of the application, for example, at page 42, line 11 through page 43, line 25. The invention recited in appellants' claim 19 embodies a result at least as useful, concrete and tangible as those considered in *State Street Bank* ("the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price") and in *In re Alappat* ("a combination of interrelated elements which combine to form a machine for converting discrete waveform data samples into anti-aliased pixel illumination intensity data"). See the discussion of the rejection of claim 1, *supra*.

The Examiner, in explaining the rejection of claim 19, states, for example, the following:

As to claims 19 and 22, the claim is directed to a method of doing business comprising: Determining whether an organization providing services has completed the service, determining the types of services provided or to be provided and determining a billing strategy based on this determination. However, the claim is not directed to processing a bill for an order or transaction.

(final Office action, page 3)

As in the case of claims 1, 13, and 18, the Examiner's statement regarding "processing a bill for an order or transaction"

does not appear to be relevant to the current issue on appeal. As discussed above, with respect to the rejection of claim 1, the proper inquiry is whether or not a useful, concrete and tangible result is produced and not whether the claim is directed to “processing a bill for an order or transaction”.

As also discussed above, with respect to the rejection of claim 1, the Examiner bears the initial burden of establishing a *prima facie* case of unpatentability. See, e.g., *In re Oetiker, supra*. A rejection under 35 U.S.C. §101 is proper “*only* when the claim is devoid of *any* limitation to a practical application in the technological arts”. MPEP 2106 II A, *supra* (emphasis added). Further, to properly raise such a rejection, the Examiner “*must* expressly state how the language of the claims has been interpreted to support the rejection”. *Id* (emphasis added). In the present case, the Examiner has not pointed out, with specificity, why it is believed that the invention recited in appellants’ claim 19 fails to produce a useful, concrete and tangible result; thus, the Examiner has not met the requisite burden. Accordingly, appellants respectfully assert that a *prima facie* case of unpatentability under 35 U.S.C. §101 has not been established with respect to claim 19 and that the Examiner’s rejection should be reversed.

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Claim 22 is allowable at least as depending from allowable base claim 19. For purposes of this issue on appeal, claim 22 stands or falls with independent claim 19.

**Arguments Regarding 35 U.S.C. §103(a)**

**A. Claims 1-6 and 8-12**

Claims 1-6 and 8-12 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Sharp et al. (U.S. Patent No. 6,263,317) ("Sharp") in view of Radosevich et al., "IT eyes reseller channel changes" ("Radosevich"). Appellants respectfully assert, for at least the reasons advanced below, that this rejection is improper and that the Examiner should be reversed.

Appellants' claim 1 recites the following:

A method for a first organization to do business comprising:

entering into a contractual relationship with a second organization;

authorizing said second organization to take an order from a customer, said order comprising at least one of:

products not produced by said first organization,  
and services not provided by said first organization;  
receiving payment directly from said customer as a payment for said order taken by said second organization;

requiring an organization other than said first organization to ship products not produced by said first organization to said customer;

requiring an organization other than said first organization to provide services to said customer.

Claim 1 recites the following:

receiving payment directly from said customer as a payment for said order taken by said second organization;

Sharp does not disclose or suggest that the first organization receives payment directly from the customer. On page 4 of the final Office action, the Examiner asserts that this limitation is met by Sharp and points to col. 4, lines 2-4 in support of this position. This portion of the Sharp reference is reproduced as follows:

information, all in stage 309. The credit card or other payment information submitted by the customer is verified and processed in stage 312. If verification for the payment

Although this excerpt from Sharp generally discusses credit card payment information, there is no disclosure or suggestion that the first organization receives payment directly from the

customer as required by claim 1. Radosevich does nothing to remedy the inadequacy of Sharp.

Claim 1 further recites the following:

requiring an organization other than said first organization to ship products not produced by said first organization to said customer;

Sharp does not disclose or suggest that the first organization requires an organization other than said first organization to ship products not produced by said first organization. On page 4 of the final Office action, the Examiner asserts that this limitation is met by Sharp and points to col. 4, lines 36-55 in support of this position. This portion of the Sharp reference is reproduced as follows:

An airbill, packing slip and other shipment information are then generated by server computer 110 in stage 351 and an order ship timer for the supplier is started in stage 363. In stage 354, the supplier prints the airbill, packing slip and shipment confirmation information form using distributor computer 140 or manufacturer computer 130. All shipping materials generated in stages 351 and 354 reflect the owner of the website as the shipping party, regardless of the distribution channel actually used to ship the product, making the actual distribution channel conflict resolution process transparent to the user. The supplier then attaches the airbill and packing slip to the shipment in stage 357. The

supplier completes the order confirmation form on the website in stage 360. Stage 366 then determines whether the supplier entered shipment confirmation information on for the product on time, in which case operation 300 proceeds to stage 372. Otherwise, a missed opportunity letter is sent to the supplier in stage 369 and stages 321-366 are repeated until the order is accepted and the corresponding product is shipped on time.

This portion of Sharp does not discuss products not produced by the first organization. Again, Radosevich does nothing to remedy the inadequacy of Sharp.

Claim 1 further recites the following:

entering into a contractual relationship with a second organization;

The Examiner takes the position that this limitation is taught by Radosevich (final Office action, page 4) and that, therefore, it would be obvious to modify Sharp accordingly. Specifically, the Examiner states the following on page 4 of the final Office action:

However, Radosevich discloses entering into a contractual relationship with a second organization (i.e. reseller agreements)(page 1).

Radosevich uses the term "reseller agreements" in the following context (bottom of page 1 of the Radosevich reference):

“If I were an IT manager today, I would very carefully review any reseller agreements I had in place. I would do competitive pricing and put them out for RFP [Request For Price] bid, and I would do it every six months as the market shakes out,” said Julie Giera, an analyst at Giga Information Group, in Cambridge, Mass.

Clearly, the reseller agreements discussed above in Radosevich are agreements *between the reseller and the customer* (IT manager), and not agreements between the first organization and the second organization, as recited in claim 1. Accordingly, applying the teaching of Radosevich to the Sharp disclosure does not yield the limitation in question.

For the reasons advanced above, appellants respectfully assert that the limitations of claim 1 are not met by the proposed combination of the Sharp and Radosevich references and that, accordingly, a *prima facie* case of obviousness has not been established.

Appellants further respectfully assert that a *prima facie* case of obviousness has not been established because there is no suggestion or motivation to combine the reference teachings as proposed by the Examiner.



"It is insufficient to establish obviousness that the separate elements of the invention existed in the prior art, absent some teaching or suggestion, in the prior art, to combine the elements."

*Arkie Lures, Inc. v. Gene Larew Tackle, Inc.*, 119 F.3d 953, 957, 43 USPQ2d 1294, 1297 (Fed. Cir. 1997).

The Examiner has provided no basis for a teaching or suggestion in the prior art for combining elements as proposed in the final rejection. The Examiner's argument regarding obviousness is as follows:

It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the aforementioned limitations as disclosed by Radosevich within Sharp *for the motivation of offering additional services not offered by direct sellers thereby providing an incentive and increased choices for customers (i.e. post deployment help)* (page 2, paragraphs 15 and 31)

(final Office action, page 5, emphasis added)

The language italicized above represents the Examiner's only explanation regarding a teaching or suggestion to combine. This language, however, represents, at best, an *unsupported statement* made by the Examiner. In order to establish a *prima facie* case, a teaching or suggestion to combine must be found *in the prior art*. See, e.g., *Arkie Lures, Inc. v. Gene Larew Tackle*,

*Inc., supra.* The Examiner has not referred to any prior art in support of the position that a motivation or suggestion to combine exists but, instead, apparently expects the unsupported conclusory statement reproduced above to suffice. Such an unsupported statement, however, cannot constitute the evidence required to establish existence of a motivation or suggestion to combine:

Whether the Board relies on an express or an implicit showing [of a motivation, suggestion or teaching to modify the teachings of a reference], it must provide particular findings related thereto.... Broad conclusory statements standing alone are not "evidence".

*In re Kotzab*, 55 USPQ2d 1313, 1317 (Fed. Cir. 2000) (citing *In re Dembiczak*, 50 USPQ2d 1614, 1617 (Fed. Cir. 1999))

Accordingly, the Examiner's statement does not constitute a showing of a teaching or suggestion to combine since the Examiner provides no evidence of the requisite motivation to combine but, instead, attempts to rely on an unsupported statement of personal opinion. Such personal opinion does not represent an adequate substitute for evidence.

In short, it appears that the Examiner's proposed combination of references is based solely on hindsight derived from appellants' specification. The use of hindsight in this manner is clearly prohibited by the relevant case law:

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Obviousness can not be established by hindsight combination to produce the claimed invention. *In re Gorman*, 933 F.2d 982, 986, 18 USPQ2d 1885, 1888 (Fed. Cir. 1991). As discussed in *Interconnect Planning Corp. v. Feil*, 774 F.2d 1132, 1143, 227 USPQ 543, 551 (Fed. Cir. 1985), it is the prior art itself, and not the applicant's achievement, that must establish the obviousness of the combination.

*In re Dance*, 48 USPQ2d 1635, 1637 (Fed. Cir. 1998)

Obviousness may not be established using hindsight. See *W.L. Gore & Assocs., Inc. v. Garlock, Inc.*, 721 F.2d 1540, 1551, 220 USPQ 303, 312-13 (Fed. Cir. 1983).

*Kahn v. General Motors Corp.*, 45 USPQ2d 1608, 1613 (Fed. Cir. 1998)

Accordingly, appellants respectfully assert that the Examiner has not established a *prima facie* case of unpatentability and that the Examiner's rejection should be reversed.

Claims 2-6 and 8-12 are allowable at least as ultimately depending from allowable base claim 1. For purposes of this issue on appeal, claims 2-6 and 8-12 stand or fall with claim 1.

**B. Claim 7**

Claim 7 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Sharp et al. (U.S. Patent No. 6,263,317) ("Sharp") in view of Radosevich et al., "IT eyes reseller channel changes" ("Radosevich") as applied to claim 1 and further in view of Hogan (U.S. Published Application No. 2001/0002464). Appellants respectfully assert, for at least the reasons advanced below, that this rejection is improper and should be reversed.

Appellants' claim 7 recites the following:

The method of claim 3 and further comprising:  
verifying that said third organization service was  
performed by said third organization.

Appellants respectfully assert that a *prima facie* case of obviousness has not been established with respect to claim 7 because there is no suggestion or motivation to combine the teachings of the Sharp, Radosevich and Hogan references as proposed by the Examiner. The law requiring that the Examiner demonstrate a suggestion or motivation to combine is discussed in more detail above with respect to the rejection of claim 1. To avoid repetition by reproducing that discussion here, appellants

instead simply incorporate it by reference into the arguments advanced below regarding the rejection of claim 7.

The Examiner states the following on page 7 of the final Office action regarding the combination of references proposed to support the rejection of claim 7:

It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the aforementioned limitations as disclosed by Hogan within the Sharp and Radosevich combination *for the motivation of automating equipment servicing and task management to allow access to maintenance reports (paragraph 12)*

(emphasis added)

The language italicized above represents the Examiner's only explanation regarding a suggestion or motivation to combine the Sharp, Radosevich and Hogan reference teachings. As discussed above with respect to the rejection of claim 1, however, this type of unsupported statement is insufficient to establish the legally-requisite motivation or suggestion to combine reference teachings.

As in the rejection of claim 1, it appears that the selection of references proposed by the Examiner to reject claim 7 is based solely on hindsight derived from appellants' specification. As appellants asserted above with respect to the rejection of claim 1, however, the use of hindsight in this manner is clearly

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impermissible (see, e.g., *In re Dance*, 48 USPQ2d 1635, 1637 (Fed. Cir. 1998), *supra*).

In view of the arguments advanced above, appellants respectfully assert that the Examiner has not established a *prima facie* case of unpatentability and that, therefore, the Examiner's rejection of claim 7 should be reversed.

**C. Claims 13 and 15**

Claims 13 and 15 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Sharp et al. (U.S. Patent No. 6,263,317) ("Sharp") in view of Carpenter et al. (U.S. 6,868,401) ("Carpenter"). Appellants respectfully assert, for at least the reasons advanced below, that this rejection is improper and that the Examiner should be reversed.

Appellants' independent claim 13 recites the following:

A method for a first organization to do business comprising:

requiring a second organization to take an order for sales items on behalf of the first organization;

in response to a determination that the order includes a product distributed by a third organization sending an order for that product to the third organization;

requiring the third organization to ship the product directly to a customer's address;

requiring the third organization to notify the second organization when the product has been shipped.

wherein the product shipped by the third organization is less than all items distributed by the third organization that were on the order; and

requiring the third organization to notify the second organization when the order is incomplete and when the backlog for items on the order that were not shipped is longer than a predetermined number of days.

Appellants respectfully assert that a *prima facie* case of obviousness has not been established with respect to claim 13 because there is no suggestion or motivation to combine the teachings of the Sharp and Carpenter references as proposed by the Examiner. The law requiring that the Examiner demonstrate a suggestion or motivation to combine is discussed in more detail above with respect to the rejection of claim 1. To avoid repetition by reproducing that discussion here, appellants instead simply incorporate it by reference into the arguments advanced below regarding the rejection of claim 13.

The Examiner states the following on page 8 of the final Office action regarding the combination of references proposed to support the rejection of claim 13:

It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the aforementioned limitation as disclosed by Carpenter within Sharp *for the motivation of processing transactions through a computer network and tracks transaction through to completion (col. 2, lines 8-15)*

(emphasis added)



The language italicized above represents the Examiner's only explanation regarding a suggestion or motivation to combine the Sharp and Carpenter reference teachings. As discussed above with respect to the rejection of claim 1, however, this type of unsupported statement is insufficient to establish the legally-requisite motivation or suggestion to combine reference teachings.

As in the rejection of claim 1, it appears that the selection of references proposed by the Examiner to reject claim 13 is based solely on hindsight derived from appellants' specification. As appellants asserted above with respect to the rejection of claim 1, however, the use of hindsight in this manner is clearly impermissible (see, e.g., *In re Dance*, 48 USPQ2d 1635, 1637 (Fed. Cir. 1998), *supra*).

In view of the arguments advanced above, appellants respectfully assert that the Examiner has not established a *prima facie* case of unpatentability and that, therefore, the Examiner's rejection of claim 13 should be reversed.

Claim 15 is allowable at least as ultimately depending from allowable base claim 13. For purposes of this issue on appeal, claim 15 stands or falls with claim 13.

**D. Claim 17**

Claim 17 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Sharp et al. (U.S. Patent No. 6,263,317) ("Sharp") in view of Work et al. (Published U.S. Patent Application No. 2002/0007302) ("Work"). Appellants respectfully assert, for at least the reasons advanced below, that this rejection is improper and that the Examiner should be reversed.

At the outset, appellants point out that claim 17 depends from independent claim 13 and the Examiner has rejected claim 13 over Sharp in view of Carpenter (see appellants' arguments re claims 13 and 15, beginning on page 46 above). Thus, it would appear that the basis for the rejection of claim 17 should include the Carpenter reference.

In any event, appellants respectfully assert that the present rejection of claim 17 is improper because there is no suggestion or motivation to combine the reference teachings as proposed by the Examiner (whether that combination is Sharp in view of Carpenter or Sharp and Work in view of Carpenter).

Appellants' claim 17 recites the following:

The method of claim 13 further comprising:

requiring the second organization to notify the first organization when the order is incomplete and when the backlog for items on the order that were not shipped is longer than a predetermined number of days.

The law requiring that the Examiner demonstrate a suggestion or motivation to combine is discussed in more detail above with respect to the rejection of claim 1. To avoid repetition by reproducing that discussion here, appellants instead simply incorporate it by reference into the arguments advanced below regarding the rejection of claim 17.

The Examiner states the following on page 9 of the final Office action regarding the combination of references proposed to support the rejection of claim 17:

It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the aforementioned limitation as disclosed by Work within Sharp *for the motivation of tracking vendor compliance with guidelines imposed on distributors, senders, shippers and the like in a supply chain (paragraph 8)*

(final Office action, page 9, emphasis added)

The language italicized above represents the Examiner's only explanation regarding a suggestion or motivation to combine the reference teachings. As discussed above with respect to the

rejection of claim 1, however, this type of unsupported statement is insufficient to establish the legally-requisite motivation or suggestion to combine reference teachings.

As in the rejection of claim 1, it appears that the selection of references proposed by the Examiner to reject claim 17 is based solely on hindsight derived from appellants' specification. As appellants asserted above with respect to the rejection of claim 1, however, the use of hindsight in this manner is clearly impermissible (*see, e.g., In re Dance*, 48 USPQ2d 1635, 1637 (Fed. Cir. 1998), *supra*).

In view of the arguments advanced above, appellants respectfully assert that the Examiner has not established a *prima facie* case of unpatentability and that, therefore, the Examiner's rejection of claim 17 should be reversed.

**E. Claim 18**

Claim 18 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Sharp et al. (U.S. Patent No. 6,263,317) ("Sharp") in view of Bremers (U.S. Patent No. 6,901,380). Appellants respectfully assert, for at least the reasons advanced below, that this rejection is improper and that the Examiner should be reversed.

Appellants' claim 18 recites the following:

A method for a first organization to do business comprising:

requiring a second organization to take an order for sales items on behalf of the first organization;

in response to a determination that the order includes a product distributed by a third organization sending an order for that product to the third organization;

**requiring the third organization to notify the first organization when the order exceeds a predetermined credit limit of the second organization.**

(emphasis added)

The Examiner admits that Sharp fails to disclose the limitation highlighted above, but takes the position that this is taught by Bremers. The Examiner points to col. 9, lines 10-20 of Bremers in support of this position. This portion of the Bremers reference is reproduced as follows:

In an embodiment of the present invention, incoming orders may be processed by the business application 200 to detect and potentially resolve variances before being authorized and communicated to a vendor. Variances can be detected based on expected value (e.g., variances may include an order having an amount greater than a given credit limit or a lapsed shipping date). A notice of a variance may be presented to a business user for resolution (e.g., authorizing a higher credit limit or modifying the shipping date).

In this excerpt, the application 200 *detects and resolves* variances (e.g., exceeding a credit limit) *before* the order is communicated to the vendor. Thus, Bremer does not disclose that the vendor is notified when an order exceeds a credit limit. This is contrary to appellants' claim 18, which requires that the third organization notify the first organization when the order exceeds a predetermined credit limit of the second organization.

For the reasons advanced above appellants respectfully assert that all of the limitations of claim 18 are not met by the proposed combination of the Sharp and Bremer references and that, accordingly, a *prima facie* case of obviousness has not been established.

Appellants further respectfully assert that a *prima facie* case of obviousness has not been established with respect to claim 18 because there is no suggestion or motivation to combine the reference teachings as proposed by the Examiner. The law requiring that the Examiner demonstrate a suggestion or motivation to combine is discussed in more detail above with respect to the rejection of claim 1. To avoid repetition by reproducing that discussion here, appellants instead simply incorporate it by reference into the arguments advanced below regarding the rejection of claim 18.

The Examiner states the following on page 10 of the final Office action regarding the combination of references proposed to support the rejection of claim 18:

It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the aforementioned limitation as disclosed Bremers within Sharp *for the motivation of a system that provides feedback representing purchase order or customer information changes (col. 2, lines 35-45).*

(emphasis added)

The language italicized above represents the Examiner's only explanation regarding a suggestion or motivation to combine the Sharp and Bremers reference teachings. As discussed above

with respect to the rejection of claim 1, however, this type of unsupported statement is insufficient to establish the legally-requisite motivation or suggestion to combine reference teachings.

As in the rejection of claim 1, it appears that the selection of references proposed by the Examiner to reject claim 18 is based solely on hindsight derived from appellants' specification. As appellants asserted above with respect to the rejection of claim 1, however, the use of hindsight in this manner is clearly impermissible (see, e.g., *In re Dance*, 48 USPQ2d 1635, 1637 (Fed. Cir. 1998), *supra*).

In view of the arguments advanced above, appellants respectfully assert that the Examiner has not established a *prima facie* case of unpatentability and that, therefore, the Examiner's rejection of claim 18 should be reversed.

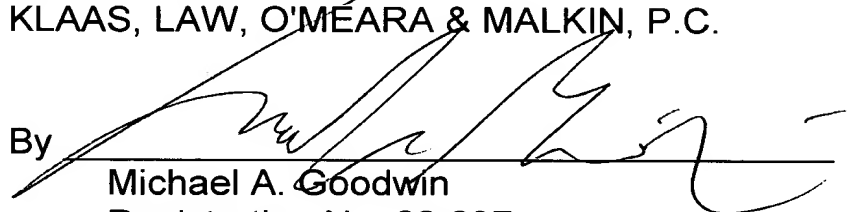


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For the reasons set forth above, appellants respectfully  
assert that all of the claims are allowable and that, accordingly, all  
of the rejections should be reversed.

Respectfully submitted,  
KLAAS, LAW, O'MEARA & MALKIN, P.C.

By

A handwritten signature in black ink, appearing to read "Michael A. Goodwin", is written over a horizontal line.

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February 14, 2007

## **(8) CLAIMS APPENDIX**

1. A method for a first organization to do business comprising:

entering into a contractual relationship with a second organization;  
authorizing said second organization to take an order from a customer, said order comprising at least one of:

products not produced by said first organization, and  
services not provided by said first organization;

receiving payment directly from said customer as a payment for said order taken by said second organization;

requiring an organization other than said first organization to ship products not produced by said first organization to said customer;

requiring an organization other than said first organization to provide services to said customer.

2. The method of claim 1 and further comprising:  
requiring said second organization to provide a second organization service to a customer.

3. The method of claim 1 and further comprising:

requiring a third organization to provide a third organization service to said customer.

4. The method of claim 1 and further comprising:  
requiring a third organization to ship a third organization product to said customer.

5. The method of claim 4 wherein said requiring a third organization to ship comprises requiring said third organization to ship said third organization product from a facility not controlled by said first organization.

6. The method of claim 4 and further comprising:  
verifying that said third organization product was received by said customer.

7. The method of claim 3 and further comprising:  
verifying that said third organization service was performed by said third organization.

8. The method of claim 1 and further comprising:  
tracking receipt of said payment by computer.

9. The method of claim 1 and further comprising:

paying said second organization a predetermined amount based on said order.

10. The method of claim 9 and further comprising:  
tracking said paying said second organization by computer.

11. The method of claim 4 and further comprising:  
paying said third organization for said third organization product.

12. The method of claim 11 and further comprising:  
tracking said paying said third organization by computer.

13. A method for a first organization to do business comprising:

requiring a second organization to take an order for sales items on behalf of the first organization;

in response to a determination that the order includes a product distributed by a third organization sending an order for that product to the third organization;

requiring the third organization to ship the product directly to a customer's address;

requiring the third organization to notify the second organization when the product has been shipped.

wherein the product shipped by the third organization is less than all items distributed by the third organization that were on the order; and

requiring the third organization to notify the second organization when the order is incomplete and when the backlog for items on the order that were not shipped is longer than a predetermined number of days.

14. (canceled)

15. The method of claim 13 further comprising:  
invoicing the customer after the third organization notifies the second organization that the product has been shipped.

16. (canceled)

17. The method of claim 13 further comprising:  
requiring the second organization to notify the first organization when the order is incomplete and when the backlog for items on the order that were not shipped is longer than a predetermined number of days.

18. A method for a first organization to do business comprising:

requiring a second organization to take an order for sales items on behalf of the first organization;

in response to a determination that the order includes a product distributed by a third organization sending an order for that product to the third organization;

requiring the third organization to notify the first organization when the order exceeds a predetermined credit limit of the second organization.

19. A method for a first organization to do business comprising:

in response to a determination that services in a service order taken by a second organization on behalf of the first organization is incomplete determining whether the service order includes support services;

determining a billing strategy based upon whether or not the service order includes support services;

in response to a determination that the service order does not include support services determining whether the services ordered may be completed in less than a predetermined period of time;

determining a billing strategy based upon whether or not the services ordered may be completed in less than a predetermined period of time;

wherein it is determined that the services ordered may not be completed in less than the predetermined period of time and further comprising determining whether the services ordered are essential to the use of hardware included on the order; and

wherein it is determined that the services ordered are not essential to the use of hardware included on the order and further comprising invoicing the hardware portion of the order prior to completion of the services ordered.

20. (canceled)

21. (canceled)

22. The method of claim 19 wherein it is determined that the services ordered are essential to the use of hardware included on the order and further comprising waiting for completion of the service before invoicing either the service or hardware portion of the order.

23. (canceled)

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**(9) EVIDENCE APPENDIX**

No evidence pursuant to §§ 1.130, 1.131 or 1.132 or entered  
by or relied upon by the examiner is being submitted.



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**(10) RELATED PROCEEDINGS AND INTERFERENCES**

**APPENDIX**

No related proceedings are referenced in (2) above.  
Accordingly, no copies of decisions in related proceedings are  
provided.